

July 17, 2008

Mr. Jonathan Brown
NEVADA MINING ASSOCIATION.
 9210 Prototype Drive, Suite 200
 Reno, Nevada 89521

Dear Jonathan;

THANK YOU for your request for current rental rates and associated costs for 2008. Listed below are the machines you requested information for.

MACHINE	DAILY RATE	WEEKLY RATE	MONTHLY RATE 176 SMU HRS	PM COST PER HOUR	G.E.T. COST PER HOUR	FUEL USE PER HOUR
TRACTORS						
D3G (K)	\$370.00	\$1,255.00	\$3,845.00	\$2.72	\$1.22	3.25
D4G (K)	\$375.00	\$1,485.00	\$4,395.00	\$3.39	\$1.38	3.50
D5G (K)	\$520.00	\$2,025.00	\$5,935.00	\$4.45	\$1.63	3.65
D5N	\$655.00	\$2,255.00	\$6,595.00	\$4.45	\$2.54	4.00
D6N	\$705.00	\$2,525.00	\$7,235.00	\$5.06	\$3.07	4.75
D6R	\$960.00	\$3,355.00	\$9,895.00	\$4.62	\$3.80	6.80
D7R	\$1,295.00	\$4,540.00	\$13,855.00	\$4.64	\$5.64	7.50
D8T	\$1,515.00	\$5,570.00	\$17,820.00	\$5.08	\$7.26	10.20
D9T	\$2,185.00	\$7,585.00	\$21,725.00	\$6.17	\$11.29	13.15
D10T	\$2,635.00	\$9,130.00	\$28,050.00	\$7.26	\$15.77	18.50
D11R (T)	N/A	N/A	\$54,000.00	\$9.37	\$23.44	25.80
EXCAVATORS						
301C	\$150.00	\$570.00	\$1,725.00	\$1.61	\$2.14	.41
302C	\$158.00	\$630.00	\$1,880.00	\$1.62	\$2.27	.55
303CC	\$230.00	\$865.00	\$2,565.00	\$1.60	\$2.35	1.15
304C	\$285.00	\$1,055.00	\$3,190.00	\$2.03	\$2.38	1.38
305C	\$310.00	\$1,125.00	\$3,555.00	\$2.16	\$2.46	1.63
307C	\$325.00	\$1,280.00	\$3,775.00	\$2.22	\$2.49	1.65
308C	\$330.00	\$1,320.00	\$3,960.00	\$2.22	\$2.60	1.75
312C	\$390.00	\$1,555.00	\$4,645.00	\$2.29	\$2.80	1.87
313C	\$430.00	\$1,585.00	\$4,780.00	\$2.84	\$3.14	2.00
314C	\$460.00	\$1,595.00	\$4,645.00	\$2.84	\$3.14	2.00
315C	\$555.00	\$1,945.00	\$5,925.00	\$3.85	\$3.29	2.85
320C	\$635.00	\$2,215.00	\$7,240.00	\$4.18	\$3.50	4.90
325D	\$840.00	\$2,865.00	\$7,885.00	\$4.22	\$4.40	7.10
330D	\$970.00	\$3,350.00	\$9,180.00	\$4.85	\$4.87	9.10
345C	\$1,270.00	\$4,485.00	\$10,800.00	\$5.44	\$5.57	10.50
385C	\$2,245.00	\$7,780.00	\$22,140.00	\$6.70	\$10.16	17.70

SCRAPERS						
613C	\$980.00	\$3,395.00	\$8,625.00	\$4.06	\$3.63	6.00
615C	\$1,325.00	\$4,485.00	\$12,595.00	\$4.60	\$4.56	8.75
631G	\$2,475.00	\$8,830.00	\$23,460.00	\$5.97	\$6.33	14.75
637G	N/A	N/A	\$32,140.00	\$8.68	\$7.94	23.75
WATER WAGON						
613 (5,000 GAL)	\$910.00	\$3,080.00	\$9,235.00	\$4.06	NA	10.75
621 (8,000GAL)	\$1,375.00	\$4,870.00	\$14,575.00	\$5.24	NA	10.75
WATER TOWER						
MPT-10 (10k GAL)	\$150.00	\$450.00	\$1,300.00	NA	NA	NA
MPT-12 (12k GAL)	\$175.00	\$500.00	\$1,600.00	NA	NA	NA
OFF-HWY TRUCK						
770 (35-TON)	N/A	N/A	\$14,000.00	\$6.53	\$2.52	9.45
773F (50-TON)	N/A	N/A	\$21,000.00	\$7.25	\$3.01	13.10
777F (85-TON)	N/A	N/A	\$28,000.00	\$9.87	\$3.36	17.20
LDR/BACKHOE						
416	\$300.00	\$1,045.00	\$2,760.00	\$2.70	\$2.46	2.75
420	\$340.00	\$1,255.00	\$3,045.00	\$2.72	\$2.71	2.85
430	\$365.00	\$1,305.00	\$3,295.00	\$2.69	\$2.80	3.25
446	\$445.00	\$1,735.00	\$5,245.00	\$2.93	\$2.87	3.70
COMPACTORS						
815	\$1,045.00	\$3,685.00	\$10,945.00	\$4.57	\$6.54	10.25
825	\$1,520.00	\$5,280.00	\$16,775.00	\$4.84	\$8.12	16.00
HAMMERS						
H-70 (fits 416/436)	\$265.00	\$1020.00	\$2,268.00	N/A	\$1.51	NA
H-100 (fits 446/315)	\$335.00	\$1,340.00	\$4,220.00	N/A	\$2.36	NA
H-115 (fits 312/320)	\$400.00	\$1,600.00	\$4,800.00	N/A	\$2.91	NA
H-120 (fits 315/325)	\$420.00	\$1,600.00	\$4,840.00	N/A	\$3.27	NA
H-140 (fits 325/345)	\$550.00	\$2,200.00	\$6,8700.00	N/A	\$4.59	NA
H-160 (fits 330/345)	\$680.00	\$2,720.00	\$8,100.00	N/A	\$6.34	NA
H-180 (fits 345/385)	\$850.00	\$3,400.00	\$10,100.00	N/A	\$7.51	NA
INTEGRATED TOOL CARRIERS						
IT-14G	\$370.00	\$1,315.00	\$3,825.00	\$3.22	\$2.67	2.25
IT-24	\$415.00	\$1,520.00	\$4,540.00	\$3.61	\$3.30	2.75
IT-28	\$455.00	\$1,790.00	\$5,370.00	\$3.84	\$3.41	3.50
IT-38G	\$525.00	\$2,365.00	\$6,345.00	\$3.08	\$4.18	4.00
IT-62	\$750.00	\$3,025.00	\$8,565.00	\$4.23	\$7.98	4.45

MOTORGRADERS

140M	\$855.00	\$2,965.00	\$8,140.00	\$4.06	\$7.87	4.90
14M	\$1,185.00	\$4,235.00	\$12,430.00	\$4.41	\$11.36	6.80
16M	\$1,625.00	\$6,490.00	\$18,425.00	\$4.78	\$15.52	8.80

**WHEEL
LOADERS**

914	\$345.00	\$1,380.00	\$3,660.00	\$3.68	\$2.66	2.25
924	\$405.00	\$1,535.00	\$4,615.00	\$3.65	\$3.30	2.75
928	\$465.00	\$1,755.00	\$5,495.00	\$3.80	\$3.41	3.50
938	\$535.00	\$2,035.00	\$5,995.00	\$4.04	\$4.18	4.00
950	\$805.00	\$2,845.00	\$7,645.00	\$4.24	\$6.35	4.25
962	\$875.00	\$3,185.00	\$8,305.00	\$4.28	\$7.98	4.45
966	\$1,205.00	\$4,285.00	\$10,890.00	\$4.74	\$7.98	5.75
972	\$1,205.00	\$4,285.00	\$11,990.00	\$4.51	\$8.75	6.25
980	\$1,370.00	\$4,730.00	\$13,090.00	\$4.56	\$10.08	7.50
988	\$1,915.00	\$6,655.00	\$20,350.00	\$7.35	\$10.79	12.70
992	N/A	N/A	\$42,300.00	\$10.16	\$25.54	23.00

TRACK LOADER

963	\$1,420.00	\$4,250.00	\$12,730.00	\$4.81	\$5.75	5.5
-----	------------	------------	-------------	--------	--------	-----

**ARTICULATED
TRUCK**

735	\$1,100.00	\$4,400.00	\$11,000.00	\$6.53	\$2.39	7.35
-----	------------	------------	-------------	--------	--------	------

The 'NA' listed indicate these machines are not typically rented for these periods of time by **CASHMAN EQUIPMENT**.

The rental costs shown were obtained from **CASHMAN EQUIPMENT'S** current rental rate schedule; the PM costs were obtained from **CASHMAN EQUIPMENT** historical data; the G.E.T. consumption was obtained from **CATERPILLAR** historical data and the Fuel Consumption was obtained from the current **CATERPILLAR PERFORMANCE HANDBOOK (Edition 38)**, Owning & Operating Costs, Section 20, using the 'average' or 'medium' consumption levels for the most current models. Fuel burn rates are expressed in gallons per hour.

Additionally, the following should be noted: 1) All machines are subject to availability and F.O.B. **CASHMAN EQUIPMENT** yard(s); 2) Any necessary assembly and disassembly costs are not included (specifically, the D10R/T, D9R/T, 988G/H, 992G, 777 and 385B/C-L); 3) Major repairs to engines, transmissions, torque converters, wheel groups and differentials is included in rental cost (unless caused by abuse, negligence, etc.); 4) Expenses incurred in the day to day operations of the machine (fuel, operator, insurance, etc.) is not included in the rental rates.

Approximate assembly and disassembly costs for the machine will vary due to the Minesite location and the availability of cranes and/or lifting equipment; however, reasonable estimates for the D10R/T would be \$2,500.00, each the assembly and disassembly; 992G-\$10,000; 777F-\$10,000.00 and the 385-\$6,500.00. Specific assembly/disassembly costs also may be more or less if the machines do not have to have significant assembly/disassembly to transport. The transport costs can vary due to the time of year (frost limitations) and the specific roadway (width, height, length and weight restrictions). That in mind, the rates shown should cover the maximum amounts needed for each machine, each procedure.

Last, **CASHMAN EQUIPMENT** can offer these rental rates to any Federal, State or Local governmental agency, as well as to any credit-worthy customer within **CASHMAN EQUIPMENT'S** franchised territory in Nevada.

Thank you, again, Jonathan, for your request. Should you need any additional information, please feel free to give me a call!

With Best Regard
CASHMAN EQUIPMENT,

A handwritten signature in blue ink, appearing to read 'Tony', is positioned below the company name.

Tony Araquistain
Mine Sales Rep

D&D | TIRE INC.

To: Mr. Doug Siple, NDEP
Mr. Craig Smith, BLM– Nevada
Mr. Jeff Parshley, SRK– NvMA

From: Britt Johnson

Date: July 24, 2008

Re: 2008 Earthmover Tire Costs

Nearing the first half of 2008 we see the continuation of change for the tire industry as demand for earthmover tires remain at all time highs. While there has been some relief with the advent of more Chinese bias product, the ability to supply from the manufacturing side combined with ever rising mineral prices has caused a short fall in the number of tires produced. This short supply issue has arisen from the inability to produce the tires rapidly enough to meet demand.

Tires are a highly engineered product made up of varies commodities (steel, carbon black, synthetic rubber, natural rubber etc.) as with all commodities, we have seen a huge increase in demand and consumption. These facts in conjunction with much higher energy prices have caused earthmover tire pricing to rise 28% over the last year.

I have set the excel spread sheet up to allow for easy up dating of pricing for future price increases. Current practice for the manufacturers is to make price adjustments quarterly and as the tire manufactures release new base price books, we need to revisit this again at that time.

Please contact me as future questions arise and I will do my best to assist you.

Best Regards,

Britt T. Johnson

Britt T. Johnson
Executive Vice President / ETMS Director

D&D | TIRE INC.

Cell 775-848-3804
Office 775-575-3321 ext. 16
Fax 866-531-5885
Email britt.johnson@ddtire.com

*"Providing uncompromising **VALUE** in products, services and information which will enrich our customers"*

1505 E. NEWLANDS DR. - FERNLEY, NV 89408
775-575-3321 or 1-800-873-2353 for ALL LOCATIONS
www.ddtire.com

Equipment	Tire Size	# of Tires Per Piece of Equipment	June 2008 Cost Per Tire	Tire Cost (1)(2)	Life Expectency Hours <small>(Low/Zone A) ⁽³⁾</small>	Tire Cost per Hour
Motor Graders						
140H	17.5R25	6	\$ 4,316.00	\$ 25,896.00	3,500	\$7.40
14H	20.5R25	6	\$ 6,318.00	\$ 37,908.00	3,500	\$10.83
16H	23.5R25	6	\$ 7,961.00	\$ 47,766.00	3,500	\$13.65
Trucks						
Dump Truck (10-12 yd ³)			\$ -			
769D	18.00R33	6	\$ 6,506.00	\$ 39,036.00	6,000	\$6.51
773E	24.00R35	6	\$ 11,402.00	\$ 68,412.00	6,000	\$11.40
777D	27.00R49	6	\$ 16,206.00	\$ 97,236.00	5,000	\$19.45
Scrapers						
613C	18.00R25	4	\$ 6,513.00	\$ 26,052.00	4,000	\$6.51
615C	26.5R25	4	\$ 7,241.00	\$ 28,964.00	4,000	\$7.24
631G	37.25R35	4	\$ 14,389.00	\$ 57,556.00	4,000	\$14.39
637G PP	37.25R35	4	\$ 14,389.00	\$ 57,556.00	4,000	\$14.39
Wheeled Loaders						
914G	17.5R25	4	\$ 4,316.00	\$ 17,264.00	4,500	\$3.84
924G	17.5R25	4	\$ 4,316.00	\$ 17,264.00	4,500	\$3.84
928G	17.5R25	4	\$ 4,316.00	\$ 17,264.00	4,500	\$3.84
938G	20.5R25	4	\$ 6,318.00	\$ 25,272.00	4,500	\$5.62
950G	23.5R25	4	\$ 7,961.00	\$ 31,844.00	4,500	\$7.08
962G	23.5R25	4	\$ 7,961.00	\$ 31,844.00	4,500	\$7.08
966G	26.5R25	4	\$ 10,690.00	\$ 42,760.00	4,500	\$9.50
972G	26.5R25	4	\$ 10,690.00	\$ 42,760.00	4,500	\$9.50
980G	29.5R25	4	\$ 13,563.00	\$ 54,252.00	4,500	\$12.06
988G	35/65-33	4	\$ 17,361.00	\$ 69,444.00	4,500	\$15.43
992G	45/65R45	4	\$ 31,519.00	\$ 126,076.00	4,500	\$28.02
Backhoes						
416D 4WD	340/80R18-195LR24	2	\$ 1,295.00	\$ 2,590.00	3,000	\$0.86
420D 4WD	340/80R18-195LR24	2	\$ 1,295.00	\$ 2,590.00	3,000	\$0.86
430D 4WD	340/80R18-195LR24	2	\$ 1,295.00	\$ 2,590.00	3,000	\$0.86
446D 4WD	15R19.5--21LR24	2	\$ 1,118.00	\$ 2,236.00	3,000	\$0.75
FRONTS						
		2	\$ 1,451.00	\$ 2,902.00	3,000	\$0.97
		2	\$ 1,451.00	\$ 2,902.00	3,000	\$0.97
		2	\$ 1,451.00	\$ 2,902.00	3,000	\$0.97
		2	\$ 1,551.00	\$ 3,102.00	3,000	\$1.03
Other Equipment						
Supervisor's Truck (Pickup)		4		\$ -		
613E (5,000 gal) Water Wagon	23.5R25	4	\$ 6,820.00	\$ 27,280.00	6,000	\$4.55
621E (8,000 gal) Water Wagon	33.25R29	4	\$ 9,947.00	\$ 39,788.00	8,000	\$4.97
Notes:						
1) Total cost for all required tires.						
2) Source: D&D Tire, Inc. 09/06/2005						
3) Caterpillar Handbook, Edition 34; Estimated Tire Life Curves Ch. 20						

July 15, 2008

Mr. Mark Amodei
President
Nevada Mining Association
9210 Prototype Dr., Suite 200
Reno, NV 89511

Re: Electric Power Costs – Updated Information

Dear Mark:

This letter provides information regarding power costs that may be helpful to members of Nevada's mining industry when estimating future costs for reclamation related activities. The information is presented in a summarized form, i.e., in terms of cents per kilowatt-hour by rate class and as a result, will have to be adjusted by each company to accurately reflect their own unique operations.

In 2008, the Public Utilities Commission of Nevada (PUCN) authorized a change in Sierra Pacific's rates through its Order on the Company's General Rate Application that was filed on December 3, 2007. The change in rates resulting from this decision went into effect on July 1, 2008.

Sierra's next General Rate Application is currently scheduled to be filed with the PUCN in December of 2010. If a decision by the PUCN on that Application leads to a change in general rates, it is anticipated the changes will go into effect in July 2011.

The table below shows the "overall effective electric rates" per kilowatt hour (kWh) for the GS-3 and GS-4 rate classes (which generally cover most mining operations) as a result of the decision issued by the PUCN on Sierra's most recent General Rate Case Filing and its previous decision in Sierra's Deferred Energy Application.

<i>Rate Class</i>		<i>New Authorized Effective Rates</i>
GS-3		\$0.10757
GS-4		\$0.08941

As shown below, the “New Authorized Effective Rates” were calculated by dividing total proposed revenues by total recorded / annualized kWh sales for each Rate Class. The resulting calculation provides an “average” effective rate for each rate class.

New Authorized Effective Rates

GS-3 \$129,284,909 (revenues) ÷ 1,201,835,328 (kWh sales) = **\$0.10757**

GS-4 \$ 57,405,155 (revenues) ÷ 642,066,270 (kWh sales) = **\$0.08941**

An individual customer can take the results shown above and, as appropriate, modify the “average” effective rate to estimate a rate per kWh that more accurately reflects their specific operations, energy usage and load characteristics.

Please note the “new authorized effective rates” reported above for the purposes of estimating reclamation costs do not take into account future changes in rates that may authorized through the Deferred Energy Accounting Adjustment (DEAA) process, or through the quarterly Base Tariff Energy adjustment mechanism.

The deferred account exists to record differences between the actual costs incurred by the utility for fuel and purchased power and the revenues it receives from customers through the rates they pay for fuel and purchased power costs. Since such differences can be either positive or negative, and since prices paid for fuel and purchased power can be volatile, it is very difficult to predict the level of this charge out into the future, beyond what has already been formally approved and authorized by the PUCN.

It is to be noted that as a result of legislation passed in the 2007 Legislative Session, rate filings in the future will be done on a different schedule than in the past. First, with respect to the filing of future General Rate Cases, Assembly Bill 103, which was approved by the 2007 Legislature, requires that after the utility filed its general rate application in December 2007, subsequent applications will be filed “at least once every 36 months thereafter.” This compares to the previous requirement that such applications be filed once every 24 months.

Second, with respect to Deferred Energy Adjustments, in addition to the mandatory annual filing, Senate Bill 437 now requires public utilities in the State of Nevada to adjust rates on a quarterly basis to account for changes in their recorded costs of fuel and purchased power. According to the approved legislation, “an electric utility shall file written notice with the Commission on or before August 15, 2007, and every quarter thereafter of the quarterly rate adjustment to be made by the electric utility for the following quarter. The first quarterly rate adjustment by the electric utility is to take effect on October 1, 2007, and each subsequent quarterly rate adjustment will take effect every quarter thereafter.” This means these quarterly Base Tariff Energy Rate (BTER) filings will be made by Sierra Pacific on August 15, November 15, March 15 and June 15 of each year and any resulting changes in rates will be implemented 45 days after the date of filing.

In general, other than the quarterly adjustments discussed above, changes in rates or tariffs as a result of an Order by the Commission on a General Rate Application or a Deferred Energy Filing normally go into effect approximately seven months or 210 days after the date of the initial filing.

Given the potential for future changes in energy markets, regulatory environments, labor agreements, general business conditions, etc., predicting the future level and direction of electric rates and other costs involved in reclamation activities can be difficult. As a result, individual companies will want to take the information provided in this letter and modify it to incorporate their own projections regarding the potential impacts of inflation, local site-specific conditions, and changes in local business on future reclamation costs.

Regarding the cost of removing power lines that are no longer required at the end of a mining property's life, estimates will vary significantly depending on location, terrain, travel time, equipment needed, etc. In addition, removal may not be necessary or beneficial if the lines have the potential to be used at some point in the future to provide electric service to other customers.

In those cases where removal is determined to be appropriate, costs can vary greatly with the type of line to be removed and the terrain involved. However, on average, the cost of removal is estimated to be approximately \$25,000 per mile. This amount covers the removal of the lines, poles and associated fixtures, but does not cover any reclamation or environmental costs. This estimate is based on current labor (wages and benefits) contained in Sierra's agreements with its represented employees. Such compensation has historically equaled or exceeded the prevailing wage and benefit requirements established under both the Davis-Bacon Act and the prevailing wage laws in the State of Nevada, and it is anticipated this relationship will continue in the future.

If you have questions regarding the above information, please give me a call at (775) 834-5247.

Thank you,



Gregory P. Lambert
Major Account Executive

CC: Lauren Arends, Membership Services Coordinator, Nevada Mining Association
Trevor Dillard, Manager, Regulatory Services, Sierra Pacific Power Company
Greg Brorby, Director Regional Hub Ops, Elko & Eastern District, Sierra Pacific Power Company
Robert Leal, Manager, Major Accounts, Nevada Power Company
Joe Milegich, Major Account Executive, Sierra Pacific Power Company
John Hargrove, Major Account Executive, Sierra Pacific Power Company
Doug Johnston, Major Accounts Analyst, Sierra Pacific Power Company

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Elko Field Office
3900 East Idaho Street
Elko, Nevada 89801

Telephone Conversation Record by Frank Bergwall

Date: Thursday July 10, 2008
Other party: Ferguson (Baroid Products) (Patty Fox)
821 E. Winnemucca Blvd
Winnemucca, NV 89445
Phone; (775) 625-2500
FAX 625-2633
Subject: Prices for 2008-2009

Requested cost for drill hole abandonment materials

Abantonite per 50# bag \$___14.25___

Abantonite per palette of 60 bags \$_____

Holeplug, ¾ inch per 50# bag \$___6.25___

Holeplug, ¾ inch per palette of 48 bags \$_____

Cement, per 94# bag \$___12.00___



475 E. Greg Street #119 | Sparks, Nevada 89431 | tel (775) 355-0202 | fax (775) 355-0817 | www.WETLaboratory.com

June 2, 2008

To: Nevada Division of Environmental Protection (NDEP)
Bureau of Land Management (BLM)
Nevada Mining Association

Re: Analytical Costs in the event of a Bond Forfeiture

To Whom It May Concern:

Below please find pricing for the analytical work required in the event of a bond forfeiture. These prices will remain valid through July 2009.

NDEP Profile I (including WAD Cyanide).....	\$325.00
NDEP Profile II (including WAD Cyanide).....	\$375.00
WAD Cyanide.....	\$35.00
Acid Base Account (including Sulfur Speciation).....	\$125.00
MWMP Extraction (Including Profile I analysis).....	\$395.00

Thank you for the opportunity to present this information. If you should have any questions or require additional information, please do not hesitate to contact me at (775) 355-0202.

Sincerely,

Ginger Peppard
Business Development Manager
WETLAB-Western Environmental Testing Laboratory
EPA Lab ID NV004